

**Compo too slow, James Hardie**

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JAMES HARDIE Industries must promptly make good its promise to provide proper compensation to all Australians who contract cancer from exposure to its asbestos products. When it set up the Medical Research and Compensation Foundation in February 2001 the company said “all legitimate compensation claims” would be met by the “fully funded” foundation. But the foundation was woefully underfunded. The recent special commission of inquiry, headed by David Jackson, QC, put the shortfall over the next 40 years between \$1.5 billion and \$2 billion. The James Hardie chairman, Meredith Hellicar, says the board of directors honestly believed in 2001 that the foundation had enough money. The company’s offer four months ago to meet the shortfall will fulfil the board’s “original intention”, she says.

If directors have been consistently genuine in their desire to do the right thing, why is it taking them so long to furnish the proof? Their track record invites scepticism. The foundation first approached James Hardie executives about a possible shortfall in April 2001 and formally requested fresh funding in a letter five months later. James Hardie directors discussed the issue another five months later.

Mr Jackson found the company adopted “a culture of denial”, adamant “no further funds would be made available”. Last July’s offer to meet the shortfall, for which James Hardie has no legal obligation, was “a radical departure”, he commented. Ms Hellicar says the issue is complex and points out that no legitimate claimant has missed out on foundation compensation. But the delay in spelling out how future sufferers of asbestos diseases will be treated naturally causes anxiety and stress. The foundation’s recent announcement that it is considering calling in a liquidator only heightens concern.

Since the Jackson report was published in September, talks between the company and the ACTU secretary, Greg Combet, representing unions and asbestos sufferers, have run without any outward sign of progress.

Each Australian government agrees James Hardie should foot the compensation bill, and quickly. Last week, all said they would support legislative action if the Combet talks fail. A NSW law to make James Hardie pay has been promised for prompt drafting, but the threat should not be necessary.

If James Hardie wants to emerge from this sorry episode with a shred of credibility, it must demonstrate it has changed culture long before it leaves a single asbestos sufferer unable to pay a medical bill, or to die without knowing whether family members are provided for.